
OLR Bill Analysis

sHB 5298 (File 503, as amended by House "A")*

AN ACT CONCERNING FUNDRAISING BY VETERANS' ORGANIZATIONS.

SUMMARY:

This bill prohibits any person, firm, or corporation from holding itself out as a representative of a veterans' charitable organization and soliciting charitable contributions, with the intent to defraud, that benefit or profit any person, firm, or corporation other than the veterans' charitable organization. A violation is a class C misdemeanor, which is punishable by up to three months' imprisonment, up to a \$500 fine, or both.

The bill defines "veterans' charitable organization" as any person, firm, or corporation that is or purports to be established for any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare, or advocacy purpose relating to or on behalf of veterans. By law and under the bill, "veteran" means any person honorably discharged or released under honorable conditions from active service in the armed forces.

The bill also requires the Department of Veterans' Affairs (DVA) commissioner to publish a list of qualified veterans' charitable organizations. She must do this within available funds by July 1, 2013, and on an ongoing basis thereafter. Inclusion on the list lasts for three years.

Under the bill, a qualified veterans' charitable organization is one that is established as defined in the bill and has been a nonstock corporation or a nonprofit organization for three or more consecutive years.

*House Amendment "A" adds existing law's definition of "veteran"

and the three-year requirements for inclusion on the list and corporation or nonprofit organization status and removes provisions (1) describing the criteria the DVA commissioner must consider in compiling the list and (2) requiring DVA to consult with the Department of Consumer Protection on the list.

EFFECTIVE DATE: October 1, 2012, except the provision on the DVA qualified veterans' charitable organization website and disclaimer is effective upon passage.

DVA QUALIFIED VETERANS' CHARITABLE ORGANIZATION LIST

Under the bill, qualified veterans' charitable organizations may apply and reapply to the DVA commissioner for inclusion on the list by submitting information to DVA regarding their nonprofit activities on a form the commissioner creates. The commissioner may require any additional information she deems necessary to determine whether a nonprofit corporation should be included on the list.

The commissioner must publish the list on the department's informational Internet website that covers veterans' benefits, services, and programs and it must include the following disclaimer: "This list is prepared for the public solely for the purpose of information. The state of Connecticut provides no warranty about the content or accuracy of the content herein."

BACKGROUND

Related Law

The Solicitation of Charitable Funds Act prohibits charities from engaging in a financial transaction that is not related to the accomplishment of the organization's charitable purpose or that jeopardizes or interferes with its ability to accomplish the purpose (CGS § 21a-190h).

Among other things, the act also prohibits:

1. charities from inappropriately spending donations,
2. misrepresenting the purpose of the charity or beneficiary of the

solicitation, and

3. spending an unreasonable amount for solicitation or management (CGS § 21a-190h).

A charity that violates the act is subject to registration revocation or suspension. The law authorizes the consumer protection commissioner to accept a written assurance of compliance in lieu of taking a disciplinary action if he believes doing so would serve the public interest (CGS § 21a-190l).

COMMITTEE ACTION

Select Committee on Veterans' Affairs

Joint Favorable Substitute Change of Reference
Yea 9 Nay 0 (03/08/2012)

Commerce Committee

Joint Favorable Change of Reference
Yea 18 Nay 0 (03/22/2012)

Judiciary Committee

Joint Favorable
Yea 45 Nay 0 (04/02/2012)